

**EAST GIPPSLAND WATER  
MINUTES OF THE MEETING OF THE BOARD OF THE EAST GIPPSLAND WATER  
CORPORATION  
HELD AT BAIRNSDALE ON THE 16 MAY 2017**

**Directors:**

Joanne Booth (Chairperson), Gail Morley, Therese Tierney, Bill Deveney (phone link), Michelle Dowsett, Richard Elkington, Angela Hutson and Bruce Hammond (Managing Director)

**In Attendance:**

James Sanford (Acting Executive and Board Operations Officer)

Item 3.2 onwards: Mathew Scott (Acting Executive Manager Business), Dean Boyd (Executive Manager Infrastructure), Frank McShane (Executive Manager Operations), Rob Carlesso (Executive Manager Business) and Iain McDougall (Acting Executive Manager Organisational Development)

**Apologies:** Steve Bird

**The Chairperson opened the meeting at 9.01am**

**1. CHAIRPERSON'S OPENING**

The Chairperson welcomed all Directors to the May Board meeting. Items discussed were:

- The Chairperson met with Craig Cook regarding Director appointments. General discussion ensued, with affected Directors noting they had completed their interviews.
- The Chairperson and Managing Director met with East Gippsland Shire Council's Mayor (Joe Rettino) and CEO (Gary Gaffney) on 19 April 2017 to discuss the MOU and related collaborative initiatives. The proposed date for the annual MOU dinner is scheduled for Monday 21 August 2017, with review of MOU to be conducted after October 2017, when Board appointments will be finalised.
- A range of industry survey's currently being circulated for completion, including VAGO, VicWater and VPSC.
- Unconscious Bias training was recently completed by two Directors and two Executive Managers, with positive feedback.
- The Chairperson attended the Customer Committee meeting and dinner held on Thursday 4 May 2017, and noted it was very valuable with a lot of positive in-depth discussion being had within the Committee.
- Board regional meeting scheduled for Monday 19 June to Tuesday 20 June 2017 to be held in Orbost. Detailed planning for the meeting will be undertaken in the following weeks, with advice to Directors to follow.
- Corporate Plan presentation to DELWP scheduled for Monday 29 May 2017, with the Managing Director and Executives attending.

Chairpersons initials

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- Executive interviews are currently being undertaken with expected completion by the end of May 2017. Final recommended candidates are to be approved by the Managing Director after consultation with the Chairperson.
- The planned review of the Vision and Mission statements is scheduled for the 19 June 2017 Strategy Committee meeting.
- The public Board meeting, which is in the annual calendar for September 2017 is scheduled to be considered at the June 2017 Board meeting along with other potential stakeholder engagement options.
- The Chairperson provided information about a one-day Audit and Risk Committee forum to be held in Sydney on 24 July, by the Institute of Internal Auditors which may be of interest to Audit Committee members.

**The Board resolved to:**

- **note the verbal report**
- **request management to confirm and circulate details of the Orbost regional meeting scheduled 19 and 20 June 2017**
- **request management to confirm with EGSC the proposed date (21 August 2017) for the MOU Dinner**

## **2. BOARD OPERATIONS**

### **2.1. DECLARATION OF PECUNIARY OR CONFLICT OF INTEREST**

The Managing Director declared a conflict at Item 3.1. Managing Director KPI's for 2017/18.

**The Board's Register of Interests record was noted.**

### **2.2. CONFIRMATION OF THE MINUTES OF THE BOARD MEETING HELD ON THE 18 APRIL 2017.**

**The Board resolved that the minutes of the meeting of the Board held on 18 April 2017.**

### **2.3. ACTION LIST**

The Board reviewed the action list, noting the stakeholder engagement action item is currently at risk with the Chairperson and Managing Director to further progress.

**The Board resolved to note the action list**

### **2.4. BOARD CALENDAR AND ANNUAL AGENDA**

The Board reviewed the Board calendar and annual agenda, noting the presentation from the Customer Committee Chairperson has been postponed to the August Board meeting, due to him being absent on vacation. Director Gail Morley advised she will be away on leave from Thursday 17 August to Wednesday 20 September 2017 with Therese Tierney to notify of her intended leave dates.

**The Board resolved to:**

- **note the calendar and annual agenda**

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## 2.5. EXCEPTION REPORT

The Board resolved to note the exception report

*(Item 4.1 was considered at this time)*

## 3. MATTERS FOR DECISION

### 3.1. MANAGING DIRECTOR KPI's FOR 2017/18

*(The Managing Director and Executive and Board Operations Officer were not present for this Item)*

The Chairperson addressed the report and proposed Key Performance Indicators for the Managing Director for 2017/18, as developed by the People and Remuneration Committee in consultation with the Managing Director. The number of proposed indicators was discussed but was considered to be appropriate to ensure alignment with the government's seven priority areas.

The Board resolved to:

- note the report
- approve the Managing Director's Key Performance Indicators for 2017/18 as proposed.

### 3.2. CUSTOMER COMMITTEE AND PRICE SUBMISSION UPDATE

The Executive Manager Business addressed the report, noting the proposed changes to POL 020 Customer Financial Assistance and presented the Round Three Customer Engagement results. Reference was made to the Committee's recommendations for Round Four Customer Engagement. In-depth discussion ensued around Environmental Leadership and Sustainability with reference to local school and community group grants for native vegetation planting and habitat throughout the region.

The Board resolved to:

- note the report and the unconfirmed minutes of the meeting held on the 4 May 2017
- adopt POL 020 Customer Financial Assistance with relevant amendments at attachment one
- note the presentation of Round Three Customer Engagement results
- approve the Customer Committee's recommendations from Round Three Customer Engagement, as detailed in the report, which are to be included in the Price Submission, subject to final feedback from customers.
- update and approve the definition for no for profit outdoor recreational community groups to "outdoor multipurpose recreational facilities".

Chairpersons initials

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### 3.3. 2017/18 CORPORATE PLAN

The Managing Director addressed the report, noting the final draft of the 2017/18 Corporate Plan. Discussion ensued around the Price Submission inclusion and wording around the Strategic Challenges and Opportunities.

The Board resolved to:

- note the report
- approve the 2017/18 Corporate Plan for submission to DELWP with minor amendments

### 3.4. WATER AND WASTEWATER PRICE APPROVAL FOR 2017/18

The Managing Director and Acting Executive Manager Business addressed the report, noting the proposed water, wastewater and service prices for the final year of Water Plan Three. The report was taken as read.

The Board resolved to:

- note the report
- approve the 2017/18 water, wastewater and service prices for the final year of Water Plan Three

### 3.5. AASB124 RELATED PARTY DISCLOSURES

The Acting Executive Manager Business addressed the report, noting the AASB 124 *Related Party Disclosures* which requires the corporation to exercise judgment to determine who the Key Management Personnel (KMP) are. Reference was made to the requirement for all KMP's to complete and submit a related parties declaration certificate annually by the 14 July each year.

The Board resolved to:

- note the report
- declare the Managing Director, Chairperson and Board Directors are deemed Key Management Personnel (KMP) of the corporation for the purpose of complying with the Australia Accounting Standards Board (AASB) 124 *Related Party Disclosures*

### 3.6. STRATEGY COMMITTEE

The Chairperson addressed the report and the unconfirmed minutes of the meeting held on the 18 April 2017. Discussion ensued around the endorsement of delegation to the Customer Committee to decide up to four guaranteed service levels (GSL's) and the related financial quantum of the compensation.

The Board resolved to:

- **note the report and the unconfirmed minutes of the meeting held on the 18 April 2017.**
- **adopt POL 017, Strategy Committee Charter as at attachment two**
- **endorse the delegation to the Customer Committee to review and if appropriate decide up to four guaranteed service levels (GSL)'s**
- **endorse the delegation to the Customer Committee to decide the financial quantum of compensation for the four selected GSL's**
- **note the indicative price path at present state of development of CPI + 1.63% per annum**

## 4. MATTERS FOR DISCUSSION

### 4.1. MANAGING DIRECTOR STRATEGIC UPDATE

The Managing Director addressed the report, noting the Gippsland Regional Water Alliance (MOU). Discussion ensued around Westernport Water's proposed changes to the governance arrangements and East Gippsland Water's position on the proposed changes. With the next proposed MOU meeting schedule for Monday 22 May 2017 and a yet to be confirmed Chair's discussion on 31 May, the Board resolved to propose a facilitated half-day meeting of the relevant water authorities Managing Directors, Chairpersons and Board Directors to review current successful collaborative outcomes and determine the future scope of the MOU..

The Board resolved to note the report

## 5. MATTERS FOR NOTING

### 5.1. FINANCE REPORTS – PERIOD TO 30 APRIL 2017

The Acting Executive Manager Business addressed the report regarding the financial results of the corporation for the period ending 30 April 2017 and the forecast end of year results. Reference was made to metered charges being below budget and forecast for 2016/17 overall operating loss of \$3K.

The Board resolved to:

- **note the financial reports for the period to 30 April 2017**
- **note the forecast for the end of year results**

### 5.2. ACTS, REGULATIONS AND MINISTERIAL DIRECTIONS

The report was taken as read.

The Board resolved to note the report

Chairpersons initials

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### 5.3. HEALTH SAFETY AND ENVIRONMENT REPORT

The Acting Executive Manager Organisational Development addressed the report, providing a brief update on current Health, Safety and Environment for April 2017. Discussion ensued around a local resident's anonymous report to the Environmental Protection Authority (EPA) of odour from the Lakes Entrance WWTP.

**The Board resolved to note the report**

### 5.4. OPERATIONS REPORT

The report was taken as read.

**The Board resolved to note the report**

### 5.5. INFRASTRUCTURE REPORT

The report was taken as read.

**The Board resolved to note the report**

### 5.6. INFORMATION TECHNOLOGY SYSTEMS INCIDENT

The report was taken as read.

**The Board resolved to note the report**

## 6. MEETING CLOSE

### 6.1. BOARD MEETING EVALUATION

- Director Gail Morley led the evaluation of the May Board meeting, with reference to the evaluation template.
- The high quality of the agenda, order of matters, quality and clarity of papers, time management and effectiveness of discussions was noted, concluding that the meeting was very productive.

**The Board discussed and noted the verbal evaluation report.**

**The Board confirmed that the next meeting will be held on Tuesday 20 June 2017 in Orbost.**

**The meeting closed at 11.50am.**

**Confirmed:** \_\_\_\_\_ Joanne Booth, Chairperson

Chairpersons initials

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